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MEMORANDUM FOR: DD/Pers/SP
DD/Pers/R&P
DD/Pers/P&C
Chief, SAS
CMO/OP
OP/Admin Officer

SUBJECT : Potential Government Accounting
Office Audit of Agency Programs

1. Attached is a memorandum from Mr. Thomas B. Yale, who is Chairman of the GAO Task Force. He states in his memorandum to all DDA Office Directors that it will be useful for each Directorate to identify with complete specificity all restrictions which must be placed on auditors.

2. Please let the Director of Personnel know in writing by close of business on Wednesday, 3 September, any restrictions you believe to be necessary for the Office of Personnel.



Executive Assistant to the
Director of Personnel

Att

MEMORANDUM FOR: All Office Directors

SUBJECT: Potential GAO Audit of Agency Programs


1. An Agency task force of Directorate representatives has been established at the request of Mr. Colby to develop recommendations for his consideration concerning the ground rules which should apply to any negotiation by GAO of audit of Agency activities.

2. In considering alternatives for the scope of audit, it seems necessary to define or identify the parameters for the broadest possible scope consistent with continuation of Agency operational activities. For this purpose, it must be assumed that the Agency can negotiate with GAO and the Congress to monitor the content of all reports and to limit the distribution of reports on a basis that will fully protect intelligence sources and methods. This approach presupposes all GAO personnel to be involved in audit of Agency activities directly or indirectly would be fully cleared for access to each activity for which a particular auditor(s) may have responsibility -- thus there would be no restrictions on the internal documentation or information which the auditor could access. There must necessarily, however, be certain restrictions on actions the GAO auditors may take to confirm financial transactions, evaluate effectiveness of program execution, or confirm attainment of program objectives to the same extent that there are case basis restrictions in these areas for Agency financial certifying officers and Agency auditors. For example, it would not be appropriate, for obvious reasons, for a GAO auditor to (a) go into a Swiss bank to confirm receipt by the bank of a deposit into a numbered account, (b) review the activities of the target parties carrying out a covert action program, or (c) interview key persons associated with the target of the covert action program to assess the degree to which the program may have attained its objectives.

3. The task force has not reached any determination as to what would be useful for each Director to identify with complete specificity all restrictions which must be placed on auditors -- not with regard to access to internal documentation or information, but actions such as those illustrated

above that could compromise the activity. The DDO and DDCAT representatives on the task force are in the process of identifying restrictions for activities in the jurisdiction of those Directorates; the DDI representative has indicated no restrictions are applicable to DDI activities; I would appreciate each of you bringing to my attention, in writing, restrictions which should apply to activities under your jurisdiction.

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Thomas B. Yale
Chairman, GAO Task Force

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